

Before New Surplus Property Procedure

- Time Consuming Process
- Lost Economic Opportunities
 - Loss of Value
- Deteriorating Assets
 - Unsafe
 - Eyesore to community
- Maintenance

Expedited Surplus Act

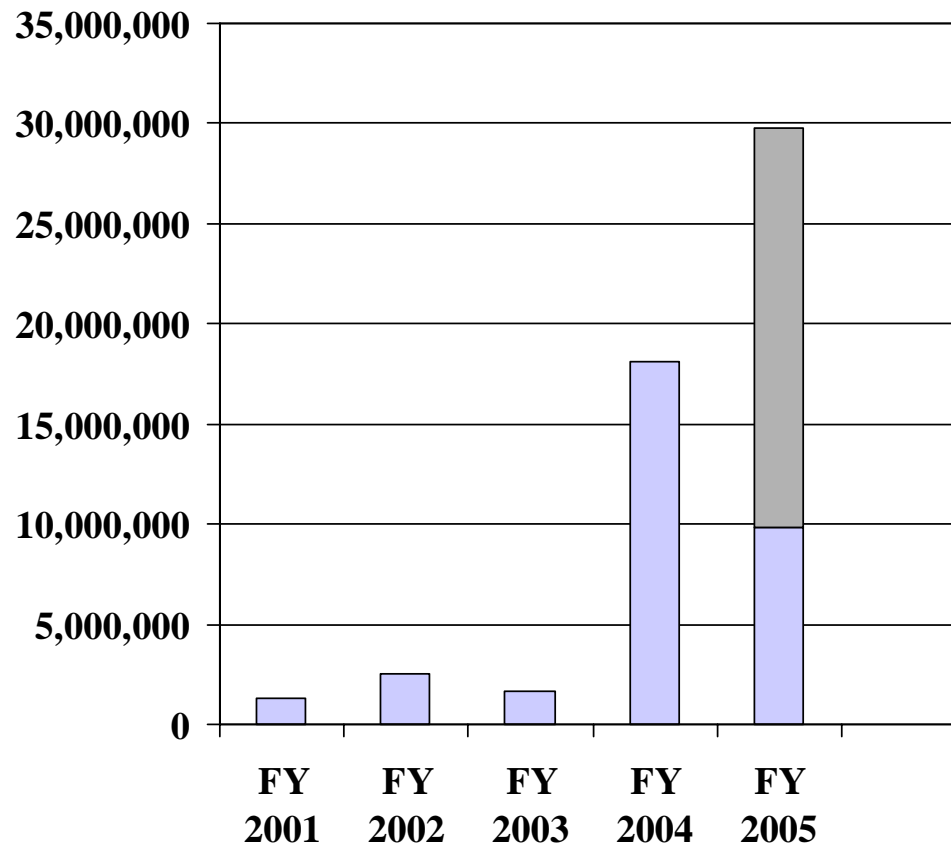
July 1, 2003

- Enacted to create a more efficient method
 - State poll of other agencies to gauge interest and best use
 - Agencies not automatically entitled to take property
 - Local notification
 - Public hearings (when applicable)
 - Preparation of Property Information Package
 - Site Due Diligence
 - Disposition by competitive process including:
 - RFP
 - Bids
 - Auction

Positive Results

- Developers are more interested to invest their time and efforts because there is certainty and an expedited process.
- Larger pool of interested buyers led to substantially higher sales prices

Effect on Section 528 on Revenue



Most important benefit:

Idle property put to productive use

- Additional Tax Revenue for Local Cities & Towns
- Increase in Jobs
 - Construction
 - Created because of Redevelopment
- Multiplier Effect on Local Business

Community Concerns

- Perception of a Hasty Process
- Loss of Right to Claim by Community
- Loss of Control Over Development & Associated Infrastructure Issues

ANF Response

- To propose a reform of Section 548 which expires on June 30, 2005 that addresses the concerns that have been raised by Legislators and Communities

Reform Process

- Notification
- Create a Right of First Refusal, which allows Towns and Cities up to 180 days to control the process

Right to Purchase

- Municipal Right of First Refusal at 90% of fair market value, or
- Payment of 10% of fair market value to municipality if purchased by a private entity

Working with Municipalities

- DCAM is placing appropriate restrictions on parcels after community involvement
- Once transferred the property is now subject to the municipalities standard zoning and permitting process so communities retain control

Examples of DCAM Working with Municipalities

- City of Beverly - Beverly Depot
- Town of Shrewsbury - Glavin Regional Center
- Williamsburg Parcel - Depot Road
- Middlesex Hospital

Additional Benefits of Proposed Successor to Section 548

- Support of the 40R process
 - First \$25million of proceeds into the Smart Growth Housing Trust Fund
- Commitment to Preserving and Maintaining Commonwealth properties
 - additional proceeds will be deposited into the Capital Projects and Maintenance Fund.
- Continued & Enhanced Community Involvement in property use



Disposition of State Owned Surplus Real Estate

Presentation March 2005

Executive Office For Administration and Finance